SMITHFIELD FOODS, INC.

MINUTES OF MEETING OF THE BOARD OF DIRECTORS

September 2, 1999

The Board of Directors of Smithfield Foods, Inc. held a regular meeting in the Montpelier Room of the Sheraton Norfolk Waterside Hotel, 777 Waterside Drive, Norfolk, Virginia on September 2, 1999, pursuant to written notice given in accordance with the Company's Bylaws. The following members of the Board were present in person or participated in the meeting via telephone conference call: Joseph W. Luter, III, Robert L. Burrus, Jr., Douglas W. Dodds, F. J. Faison, Jr., Ray A. Goldberg, George E. Hamilton, Jr., Robert G. Hofmann, II, Richard J. Holland, Roger R. Kapella, Lewis R. Little, William H. Prestage, Joseph B. Sebring, and Timothy A. Seely. Retiring director Aaron D. Trub did not attend the meeting. Michael H. Cole, Corporate Counsel and Assistant Secretary of the Company, served as meeting secretary and recorded the minutes. The following persons attended the meeting at the invitation of the Chairman: C. Larry Pope, Vice President, Finance of the Company; Richard J. M. Poulson, Vice President and Senior Advisor to the Chairman of the Company; John T. Schwieters, Managing Partner for the Mid-Atlantic Region, Richard C. McCullough, Audit Partner, Charles F. Phillips, Tax Partner, and Colleen Myers, Audit Manager, from Arthur Andersen L.L.P., independent public accountants for the Company; and Carol T. Crawford, Commissioner, U.S. International Trade Commission.

Mr. Luter, who presided over the meeting, called the meeting to order at 10:00 a.m., Eastern time.

Mr. Trub's Retirement

Mr. Luter expressed his sadness over the retirement of Mr. Trub, which was effective as of August 31, 1999. As a director and Vice President, Secretary and Chief Financial Officer of the Company, Mr. Trub contributed substantially to the success of the Company for many years. In recognition of his substantial contributions, the Board directed that a formal letter of appreciation be sent to Mr. Trub.

Recent Developments

Mr. Luter next briefed the Board on several recent developments:

The Stock Buy-Back Program. Mr. Luter announced that the Company had recently repurchased 810,000 shares of Smithfield Foods, Inc. common stock from the former shareholders of the Carroll's Foods Group, pursuant to the stock buy-back program previously authorized by the Board. Earlier this year, the Board had approved a 2 million share stock buy-back program. Mr. Luter stated that management was continuing to evaluate the market and would buy back additional shares so long as the market price of the Company's common stock remained undervalued.

Murphy Family Farms. Mr. Luter described in general terms a memorandum of understanding by which the Company would acquire Murphy Farms, Inc. and its affiliated companies (collectively, "Murphy Family Farms") for approximately 10 million shares of Smithfield Foods common stock and the assumption of approximately $170 million of term debt and other liabilities. At Mr. Luter's request, Mr. Pope gave a brief overview of the financial considerations of the proposed acquisition. Mr. Pope explained that management has valued Murphy Family Farms using the same pricing model used for the Carroll's Foods Group acquisition in May 1999, with respect to which the Board received a fairness opinion from Scott & Stringfellow. He stated that the transaction is expected to be effective on or about January 1, 2000. The acquisition is expected to strengthen the Company's balance sheet by improving its debt-to-equity ratio.

Mr. Cole advised the Board that management did not seek formal approval of the acquisition of Murphy Family Farms at this meeting. Mr. Luter indicated that he would bring the matter back before the Board for approval before a definitive acquisition agreement is signed. Following discussion, upon a motion duly made and seconded, the Board unanimously expressed support for the proposed acquisition of Murphy Family Farms and authorized management to proceed further to negotiate of definitive agreements and complete due diligence.

First Quarter of Fiscal 2000. Mr. Pope then gave the Board an overview of the results of the first quarter of fiscal 2000.

Board Restructuring. Mr. Luter then asked the Board members for their views on a proposal that would increase the percentage of independent, outside directors on the Board by reducing the Board's size and moving the various operating company presidents who are currently directors to a new Management Board. Mr. Luter observed that various investor organizations, regulators and other constituencies are placing much greater significance today on the presence of so-called independent boards, believing that such boards are more likely to give active and independent oversight as fiduciaries for those who invest in the company. Mr. Luter observed that the restructuring of Smithfield's Board such that a majority of its directors would be independent, outside directors might be viewed positively by investors and could be a part of a more comprehensive strategy to reach out the investment community. In addition to changes in the Board, Mr. Luter informed the Board that he had hired an investor relations officer, was moving the Company's listing from Nasdaq to the New York Stock Exchange, and was committing to more frequent communications with analysts, all in an effort to promote greater visibility for the Company on Wall Street, which he hopes will generate greater interest in Smithfield shares.

On the negative side, Mr. Luter expressed concern that there might be a loss of interaction and communications between the Board and the operating companies if the operating company presidents moved to a new Management Board. Such interaction and communications have contributed significantly over many years to the effectiveness of the Board and the success of the Company.

A lengthy discussion of the Board restructuring issue ensued. All of the members expressed the view that the proposed restructuring was positive. Mr. Burrus noted that most of the public company boards with which he is familiar have a majority of independent, outside directors. Mr. Holland commented that, although the Board has functioned independently and highly effectively (as judged by, among other things, the shareholders' return on investment), he thought the proposed restructuring would eliminate the perception that the Board lacks independence. Each of the operating company presidents expressed their support for the Board restructuring proposal.

Following the discussion, it was the consensus of the Board that a plan to effect the proposed Board restructuring should be developed and implemented over the next twelve months and Mr. Luter agreed to announce this decision at the Annual Meeting of Shareholders later in the day.

Recent Investments in France and Poland. At Mr. Luter's request, Mr. Pope and Mr. Poulson updated the Board on the Company's recent investments in France and Poland. On August 12, 1999, Smithfield announced that its wholly owned subsidiary, Smithfield France SAS, had acquired a French processed meats company, Société Financière de Gestion et de Participation S.A. (SFGP), doubling the Company's private-label processed meats business in France. SFGP, acquired from Jean Ducatel and minority shareholders, operates Charcuteries Imperator S.A., based near Lyon, and Jean d'Erguet S.A., of Brittany, makers of processed meats such as hams, dry sausage and hot dogs. SFGP sales exceeded $100 million in 1998. Together with Société Bretonne de Salaisons (SBS), the Company's French processed meats subsidiary acquired in September 1998, Smithfield Foods now holds an 18% share of the private-label market.

Mr. Luter explained that, with this acquisition, the Company now serves every major grocery retailer in France and have enhanced access to the Spanish market. The acquisition has also added significantly to the Company's capacity and rounded out its product line with new items. Jean Quentin, chairman, president and chief executive officer of SBS, will continue in that position with the combined companies.

In Poland, the Company is continuing to review the business and operations at its subsidiary, Animex S.A. As a result of the completion of the second-step tender offer in June, Smithfield Foods has a cumulative investment of approximately $51 million and owns 79.7% of the capital stock and 61.1% of the voting rights of Animex. In addition, Smithfield has invested approximately $5.2 million to acquire a controlling stake in another company, Animpol S.A., as a result of which Smithfield indirectly controls an additional 8.8% of the capital and 30.1% of the voting rights of Animex.

Joint Venture in Mexico

Mr. Luter next described the Company's proposed joint venture in Mexico. Under the terms of the Joint Venture Agreement signed on July 1, 1999, a wholly-owned subsidiary, Smithfield Foods of Mexico, will form a joint venture with Jorge Mazon and Fernando Hernandez to own and operate a vertically integrated pork processing operation in the State of Sonora, Mexico. Smithfield will initially invest approximately $22 million for a 50% interest in the venture, Agroindustrial Del Noroste, which will own and operate Grupo Alpro, a fresh and processed meats company with annual sales of approximately $100 million. Grupo Alpro has operations in Hermosillo, Mexico City, and Guadalajara, Mexico. The joint venture will also own and operate a hog production company, Agrofarms, which will be the primary source of hogs for Grupo Alpro's fresh meat operations. The joint venture will be managed by Jorge Mazon and Fernando Hernandez, who have controlled and operated Grupo Alpro and have also been engaged in hog production in Mexico for the last 20 years.

Plans call for Agroindustrial Del Noreste to significantly expand both its pork processing and growing operations in response to strong demand for pork products in both domestic and export markets. Grupo Alpro is the largest federally inspected hog processor in Mexico and is USDA certified for export to the United States. Agrofarms is the largest hog farming concern in Mexico with approximately 12,500 sows in production.

Mr. Luter stated that the proposed alliance with a well established and well-run pork processor and experienced producer fits Smithfield Foods strategic plan to become a global pork processor with products, facilities, and cost structures that give us significant operating and marketing advantages. He also noted that Mexico, and especially the State of Sonora, with its proximity to the U.S. market, its relatively stable political and economic systems and its highly skilled and efficient work force, is a desirable foreign market to invest in at this time.

Following discussion, upon a motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Joint Venture Agreement by and among certain individuals, participants in the Agroindustrial Del Noroeste Voting Trust, Grupo Agroindustrial de Sonora, S.A. de C.V., Empresas Heras, S.A. de C.V., the Corporation, Smithfield Foods de Mexico, S. de R.L. de C.V., Agroindustrial Del Noroeste, S. de R.L. de C.V. and Corporativo Alpo, S.A. de C.V., dated as of July 1, 1999 (the "Agreement") is hereby ratified, confirmed and approved;

RESOLVED FURTHER, that the officers of the Corporation be, and each of them hereby is, authorized, directed and empowered, in the name and on behalf of the Corporation, to execute and deliver the Agreement, and such amendments or supplements thereto as any such officer may approve as necessary or desirable with respect thereto (the execution of any such amendment or supplement by any such officer conclusively establishing his approval thereof) and/or such agreements, certificates, instruments or documents as any such officer may approve as necessary or desirable with respect to the Agreement and/or any such amendment or supplement, which Agreement, amendments, supplements, other agreements, certificates, instruments and/or documents, when executed in the name of and on behalf of the Corporation by one or more of the officers of the Corporation shall be deemed to be authorized and approved by this Board of Directors and binding upon the Corporation without the necessity of any further review or consideration thereof;

RESOLVED FURTHER, that any actions taken by such officers prior to the date of this meeting that are within the authority conferred hereby are hereby ratified, confirmed and approved in all respects as the acts and deeds of the Corporation; and

RESOLVED FURTHER, that each of the officers of the Corporation be, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of the Corporation, to execute and deliver any and all such agreements, certificates, instruments and/or other documents and take any and all such lawful actions as any such officer may deem necessary or advisable to effectuate the purposes of each and all of the foregoing resolutions, including, without limitation, paying fees and expenses relating to the transactions contemplated hereby.

Proposed Increase of the Chase Credit Facility
From $300 Million to $400 Million

Mr. Luter then asked Mr. Pope to report on a proposal to increase the Company's existing multi-year revolving credit facility with Chase Manhattan Bank from $300 million to $400 million. Smithfield Foods seeks the increase in the credit facility in order to provide sufficient liquidity to fund expanded working capital requirements arising from recent acquisitions (most notably, the Carroll's Foods Group) and potential hog price increases. The Company also seeks to amend certain terms of the credit facility in order to obtain greater flexibility under certain financial covenants and to establish up to a $50 million Euro/French Franc sublimit to accommodate the Company's growing presence in the EU, particularly in France. Following Mr. Pope's report, upon a motion duly made and seconded, the Board unanimously adopted the following resolutions:

WHEREAS, there has been presented to this Board of Directors a proposed Amended and Restated Multi-Year Credit Agreement dated as of August 31, 1999 (the "Credit Agreement") among Smithfield Foods, Inc. (the "Company"), certain of its subsidiaries, the Lenders party thereto (the "Lenders") and Chase Manhattan Bank as Administrative Agent (the "Agent") pursuant to which the Company is modifying the terms and conditions of its existing credit facility and, among other things, increasing the amount available to borrow thereunder to $400,000,000;

NOW, THEREFORE, BE IT RESOLVED, that it is in the best interest of the Company to enter into the Credit Agreement;

RESOLVED FURTHER, that any one of the following officers of the Company: Chairman of the Board, the President, any Vice President, the Secretary, any Assistant Secretary, the Controller and any Assistant Controller, be, and each of them hereby is, authorized, to execute and deliver such agreements and documents of any nature whatsoever, and to take all other action, as such officer may deem necessary or appropriate to effectuate the execution and delivery of the Credit Agreement;

RESOLVED FURTHER, that the actions of any officers of the Company which have been taken prior to the date hereof in connection with the Credit Agreement are hereby ratified and approved in every respect;

RESOLVED FURTHER, that without limiting the generality of any of the preceding resolutions, the Company, through any of the officers identified above, be expressly authorized to execute, deliver and perform the Credit Agreement and such other documents and instruments required thereby, necessary therefore, or appropriate in connection with, on such terms, in such manner, and with such changes as any such officer shall deem desirable, as evidenced by the signatures of such officers thereon on behalf of the Company; and any such officers are hereby authorized, on behalf of, in the name of and for the account of the Company, to execute any and all documents and to take any and all actions, including, without limitation, the execution of the Credit Agreement, and the payment and satisfaction of all costs and expenses, as may be necessary or required by the Agent or the Lenders in connection with the Company's execution, delivery and performance of any such documents;

RESOLVED FURTHER, that the Secretary or the Assistant Secretary of the Company may furnish the Agent and each Lender a certified copy of these resolutions, and the Agent and the Lenders are hereby authorized to deal with the above named officers, under the authority of these resolutions unless or until the Agent and the Lenders shall be expressly notified in writing to the contrary by the Company;

RESOLVED FURTHER, that the Secretary or an Assistant Secretary of the Company is authorized and directed to certify to the Agent and the Lenders that the preceding resolutions were duly adopted and remain in full force and effect and the provisions thereof are in full conformity with the charter and bylaws of the Company;

RESOLVED FURTHER, that all transactions by any officers, representatives, or agents of the Company on its behalf and in its name with the Agent and the Lenders prior to delivery of a certified copy of the preceding resolutions are, in all respects, hereby ratified, confirmed and approved; and

RESOLVED FURTHER, that the officers of the Company identified above are each hereby authorized and directed from time to time to take any and all other action, execute and deliver all instruments and do and perform any and all such other acts necessary or proper to carry into effect the Credit Agreement and the full intent and purpose of the foregoing resolutions.

Proposed $225 Million John Hancock/Cape Fear Financing

Mr. Pope then discussed with the Board the terms and condition of a proposed $225 million financing with John Hancock Mutual Life Insurance Companies and certain of its affiliates, and Cape Fear Farm Credit, ACA and its participants and sub-participants pursuant to which the Company would issue its Series I and J Senior Notes in amounts up to $225 million secured by certain hog farming properties. He explained that the proposed financing was necessary to refinance certain indebtedness assumed as a part of the acquisition of the Carroll's Foods Group in May. Following Mr. Pope's report, upon a motion duly made and seconded, the Board unanimously adopted the following resolutions:

WHEREAS, there has been presented to this Board of Directors a Term Sheet setting forth the proposed terms of a Note Purchase Agreement (the "Note Purchase Agreement") to be entered into by Smithfield Foods, Inc. (the "Company"), certain of its subsidiaries, John Hancock Mutual Life Insurance Companies and certain of its affiliates, and Cape Fear Farm Credit, ACA and its participants and sub-participants (the "Lenders") pursuant to which the Company would issue its Series I and J Senior Notes in amounts up to $225,000,000 secured by the hog farming properties of certain of its subsidiaries;

NOW, THEREFORE, BE IT RESOLVED, that it is in the best interest of the Company to enter into the Note Purchase Agreement and issue its Series I and J Senior Notes in amounts up to $225,000,000 pursuant to the terms of the Term Sheet and such other or different terms or amounts which the officers of the Company identified below may determine;

RESOLVED FURTHER, that any one of the following officers of the Company: Chairman of the Board, the President, any Vice President, the

Secretary, any Assistant Secretary, the Controller and any Assistant Controller, be, and each of them hereby is, authorized, to execute and deliver such agreements and documents of any nature whatsoever, and to take all other action, as such officer may deem necessary or appropriate to effectuate the execution and delivery of the Note Purchase Agreement and all other documents or instruments in connection therewith and to issue the Series I and J Senior Notes of the Company;

RESOLVED FURTHER, that the actions of any officers of the Company which have been taken prior to the date hereof in connection with the Note Purchase Agreement are hereby ratified and approved in every respect;

RESOLVED FURTHER, that without limiting the generality of any of the preceding resolutions, the Company, through any of the officers identified above, be and hereby is expressly authorized to execute, deliver and perform the Note Purchase Agreement, the Series I and J Senior Notes and such other documents and instruments required thereby, necessary therefor, or appropriate in connection therewith, on such terms, in such manner, and with such changes as any such officer shall deem desirable, as evidenced by the signatures of such officers thereon on behalf of the Company; and any such officers are hereby authorized, on behalf of, in the name of and for the account of the Company, to execute any and all documents and to take any and all actions, including, without limitation, the execution of the Note Purchase Agreement and the Series I and J Senior Notes, and the payment and satisfaction of all costs and expenses, as may be necessary or required by the Lenders in connection with the Company's execution, delivery and performance of any such documents;

RESOLVED FURTHER, that the Secretary or any Assistant Secretary of the Company may furnish each Lender a certified copy of these resolutions, and the Lenders are hereby authorized to deal with the above named officers, under the authority of these resolutions unless or until the Lenders shall be expressly notified in writing to the contrary by the Company;

RESOLVED FURTHER, that the Secretary or any Assistant Secretary of the Company is authorized and directed to certify to the Lenders that the preceding resolutions were duly adopted and remain in full force and effect and the provisions thereof are in full conformity with the charter and bylaws of the Company;

RESOLVED FURTHER, that all transactions by any officers, representatives, or agents of the Company on its behalf and in its name with the Lenders prior to delivery of a certified copy of the preceding resolutions are, in all respects, hereby ratified, confirmed and approved; and

RESOLVED FURTHER, that the above-identified officers of the Company are each hereby authorized and directed from time to time to take any and all other action, execute and deliver all instruments and do and perform any and all such other acts necessary or proper to carry into effect the Note Purchase Agreement and the full intent and purpose of the foregoing resolutions.

Move to New York Stock Exchange

Mr. Luter next asked the Board to consider and vote upon a proposal to move the Company's stock listing from the Nasdaq National Market to the New York Stock Exchange (NYSE). He described a plan pursuant to which the Company would expeditiously submit a Listing Application to the NYSE such that the Company's shares would begin trading there at the opening of business on or about September 28, 1999 under the symbol SFD. Mr. Luter stated that, like the Board restructuring previously discussed, the move to the NYSE was one of several steps the Company is taking to increase the visibility of Smithfield Foods to the investment world. He noted that Smithfield Foods was the only major U.S. food company not listed on the NYSE. After discussion of the proposal, upon a motion duly made and seconded, the Board unanimously adopted the following resolutions:

WHEREAS, the Common Stock, par value $0.50 per share (the "Common Stock"), of the Company is currently listed and trading on the over-the-counter market ("OTC") and is quoted through The Nasdaq National Market ("Nasdaq");

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company to list the Common Stock and cause it to be admitted to trading on the New York Stock Exchange ("NYSE");

NOW, THEREFORE, BE IT RESOLVED, that all officers of the Company be and each hereby is authorized and directed to take, or cause to be taken, all actions necessary or advisable to effect the listing and trading of the Common Stock on the NYSE, including the preparation, execution and filing of all necessary applications, documents, forms and agreements with the NYSE and the Securities and Exchange Commission (the "SEC"), the payment by the Company of filing, listing or application fees, the preparation of temporary and permanent certificates for the Common Stock, and the appearance of any such officer before NYSE officials;

RESOLVED FURTHER, that, in order to avoid the direct and indirect costs and the division of the market resulting from dual listing on the OTC and the NYSE, all officers of the Company be and each hereby is authorized and directed to take or cause to be taken all actions necessary or advisable to delist and suspend the trading of the Common Stock to trading on the OTC upon the admission of the Common Stock to trading on the NYSE, including the preparation, execution and delivery of applications, documents, forms and agreements with Nasdaq and the SEC;

RESOLVED FURTHER, that the transfer agent and registrar for the Common Stock following the listing and trading thereof on the NYSE shall continue to be Harris Trust and Savings Bank;

RESOLVED FURTHER, that all officers of the Company be and each hereby is authorized from time to time to do, or cause to be done, all such other acts and things and to execute and deliver all such instruments and documents, as each such officer shall deem necessary or appropriate, to cause the Company to become listed and admitted to trading on the NYSE and, upon such admission to trading, to cause the Company to be delisted from the OTC and otherwise to carry out the purpose and intent of the foregoing resolutions; and

RESOLVED FURTHER, that all actions taken and expenses incurred by any officer or director heretofore in furtherance of any of the actions authorized by the foregoing resolutions are hereby and expressly ratified, confirmed, adopted and approved.

Foreign Corrupt Practices Act Compliance

PORTIONS OF THIS DOCUMENT
HAVE BEEN REDACTED

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Upon a motion duly made and seconded, the Board unanimously adopted the following resolutions:

WHEREAS, it is the policy of Smithfield Foods, Inc., and its subsidiaries (collectively, the "Company") that the Company and all of its directors, officers and employees, and any agents, representatives or other persons acting for or on behalf of Company, fully comply with all applicable laws, rules and regulations and adhere to the highest ethical standards in the conduct of Company's business; and

WHEREAS, with respect to the Company's international operations, such applicable laws, rules and regulations include, but are not limited to, the requirements of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, 78dd-2 and 78dd-3 (as amended, the "FCPA");

NOW, THEREFORE, BE IT RESOLVED, that no director, officer, employee, agent, representative or other person acting for or on behalf of the Company shall make any offer or payment, or promise or authorize any payment, or do or omit to do any other act, that is prohibited by the FCPA; and

RESOLVED FURTHER, that the Chief Executive Officer is directed to implement such practices and procedures as are appropriate to ensure full and effective compliance with this policy.

Adoption of Bylaw Amendment Relating to Shareholder Proposals

The Board next discussed a proposal to amend certain time periods referenced in Section 1.1(b) of the Company's Bylaws with respect to shareholder proposals. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that Section 1.1(b) of the Company's Bylaws be amended and restated to read in its entirety as follows:

"(b) At an annual meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a shareholder. For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation (i) *on or after May 1st and before June 1st of the year in which the annual meeting will be held*, if clause (ii) of this sentence is not applicable, or (ii) not less than *50* days before the date of the annual meeting if the meeting date is earlier than August 1st or *later than September 30th*. In addition, for business to be brought properly before the meeting by a shareholder, such shareholder's notice to the Secretary must set forth as to each matter the shareholder proposes to bring before such meeting (i) a brief description of the business desired to be brought before the meeting, including the complete text of any resolutions to be presented and the reasons for wanting to conduct such business, (ii) the name and address, as they appear on the Corporation's books, of the shareholder proposing such business, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the shareholder, and (iv) any material interest of the shareholder in such business. "

There being no further business to come before the meeting, it was adjourned at 12:15 p.m., Eastern time.

Respectfully Submitted,

Michael H. Cole
Secretary